

CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
12 June 1963

CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: Tripartite Negotiations on Malaysia
Federation Scheme

1. The text of the joint communique, which concluded the 7-11 June conference of the Malayan, Indonesian, and Philippine ministers, has apparently not yet been made public. According to the press, quoting conference sources, the communique stressed willingness of the three nations to pursue a peaceful resolution of area problems. The communique was said to provide for regular top level consultation on problems of security, stability, and economic, social and cultural development. A summit meeting of President Sukarno of Indonesia, Prime Minister Rahman of Malaya, and President Macapagal of the Philippines is to be held before the end of July, at which the ministerial agreements will be further discussed.

2. The agreements appear to be general, and differing interpretations may make for future difficulties. For the present, however, the ministerial conference has considerable significance in that Indonesia has abandoned its previous 31 August deadline for frustrating Malaysia.

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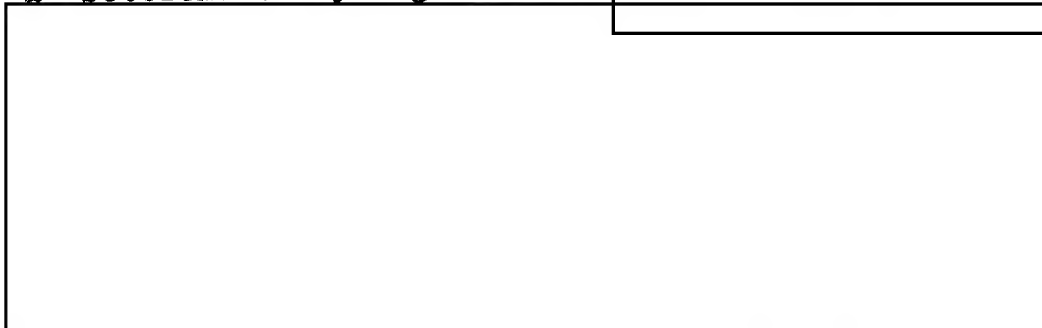
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3. We do not believe, however, that there has been any significant shift in President Sukarno's basic attitude toward the proposed Malaysia federation. Despite the superficially cordial tone of the communique, Sukarno almost certainly still regards Malaysia as a long-term threat to his ambitions to dominate the politics of his area. His "acceptance" of Malaysia is simply a recognition

that he does not now have the diplomatic resources or the covert means to prevent the formation of the federation by 31 August. There is little reason to believe that he will not continue covert operations and develop whatever diplomatic opportunities may arise to harass the federation and undercut its promoters, especially Malayan Prime Minister Rahman.

4. Sukarno's approach to Malaysia has been two-pronged from the outset. Following the pattern he used successfully to get the Dutch out of West New Guinea, he has emphasized again and again his willingness to be reasonable, to reach a "settlement" by negotiation.

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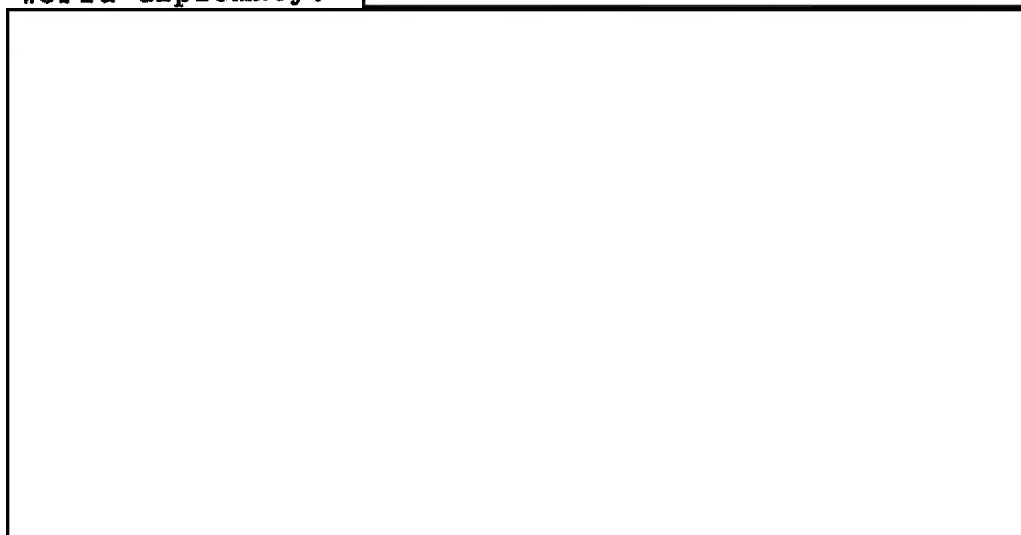


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5. The New Guinea pattern, however, calls for the simultaneous use of covert action and paramilitary operations to keep the pot boiling and ensure that Sukarno's cause is not forgotten by world diplomacy.

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8. The basic factor that has led Sukarno into overt acceptance of the Malaysia idea is that his own operations against it have not developed successfully so far. International opinion has not been moved to see either justice or a danger to peace in his campaign. In particular, he has received no support whatever from the US. Other "anti-colonialists" in Asia have not rallied behind him. Sukarno's past pattern of behavior, however, suggests that he regards this setback as only temporary, and that even though he now seems to be acting like a "nice fellow" who shares Western concern over the ultimate expansion of Chinese Communist influence, he is in fact still primarily concerned that Malaysia will be an obstacle to his own self-appointed role as the leader of this area.

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